



**ADDENDUM #1**

**REQUEST FOR PROPOSAL**

**FOR**

**Workers' Compensation Third Party Administrator**

*Human Resources Department*  
**CITY OF HUNTINGTON BEACH**

**RFP Released on February 16, 2010**  
**Addendum Released on March 3, 2010**

**WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR  
REQUEST FOR PROPOSAL ("RFP")  
ADDENDUM #1**

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**Response to Questions**

1. Is the pre-qualification letter the same as the cover letter?

**No, the pre-qualification letter is to determine if the organization meets the minimum qualifications required by the proposal. The cover letter is the organization's statement about the ability to provide services as requested. Please read the definitions as outlined in the RFP.**

2. You require the proposal to be no more than 20 typed pages using a 12-point font size, including transmittal letter and resumes of key people. If you require full resumes, the number of pages can be eaten up quickly. Can we provide short bios instead?

**The resumes can be in addition to the 20 pages.**

3. Who is the City currently using for Bill Review, Utilization Review, Nurse Case Management, and any other outside vendors associated with the City's Workers' Comp program and what is the current fee structure? Will the current providers be able to provide data history to the new TPA?

**Stratacare for bill review, RWI for utilization review and Nurse CompSolutions for nurse case management.**

4. What claims system is currently being used by the City and are there any direct feeds from other systems that would need to be replicated?

**Gensource**

5. How many FTE's and what positions (claims examiner, claims assistant, clerical) does the City currently have allocated to administer the program and what are the tasks performed by the City's current self administered claims staff?

**There are 3 Sr. Claims Examiners, and part-time support staff. They handle all aspects of claims administration and customer service to injured workers.**

6. Does the city have requirements that jobs be offered to the claims staff, if they are being terminated from the City? If the people are to be terminated from the City, and the TPA should consider hiring them, can we get what the salaries are for the staff being eliminated?

**Open for discussion. Job descriptions are available on the City's website.**

7. Do you want a dedicated unit inclusive of supervision and assistant or just dedicated adjusters?

**We wish to have a dedicated unit.**

8. Does the City administratively close stipulated Future Medical files after 2 years of no payments issued on behalf of or to the injured employee?

**Usually**

9. Can the City share its "Records Retention Policy" that is referenced in the RFP?

**You can access this on the City's website under public record search, resolution 2008-23.**  
<http://records.surfcity-hb.org/public/index/Default.aspx>

10. Can the City share City's UR Criteria that are referenced in the RFP?

**We averaged approximately 11 referrals per month/ 136 per year, during 2009. We averaged approximately 501 bill reviews per month/ 6012 per year, during 2009.**

11. Who is the City's current excess carrier?

**CSAC - EIA**

12. Does the City utilize a PPO or MPN?

**No**

13. What is the City's current budget for administering the Worker's Comp program?

**Please refer to the City's website for budget information.**

**[http://www.huntingtonbeachca.gov/government/budget\\_information/](http://www.huntingtonbeachca.gov/government/budget_information/)**

14. Does the City have any union contracts? If so, can you identify the bargaining units?

**Yes, there are 8 bargaining units and the non-associated team. The eight units include: Municipal Employees Association, Management Employees Organization, Fire Management Association, Huntington Beach Fire Association, Marine Safety Officers Association, Police Management Association, Police Officers Association and Surf City Lifeguard Employee's Association.**

**[http://www.huntingtonbeachca.gov/government/Departments/Human\\_Resources/mous/index.cfm](http://www.huntingtonbeachca.gov/government/Departments/Human_Resources/mous/index.cfm)**

15. What claims administration software program is currently being used by the City? How long has the City been using the software program?

**Gensource, for over 20 years.**

16. Although there is not a scheduled pre-bidders conference for the RFP, do you see anything to change that with respect to the RFP's schedule?

**Not at this time**

17. Should the City decide to award a contract to an outside TPA, what anticipated timeframe do you foresee for the transition of files and claims history?

**Three to six months.**

18. Are you looking for blended caseloads, or is the 175 strictly for Indemnity files? If it is for indemnity files only, what is the FM caseload requirements?

**The caseloads are currently blended.**

19. How long has the City been self-administered?

**Over 20 years.**

20. Is the City definitely planning to outsource claims or is the in-house operation an option as well? Should the City partially or fully outsource the claims administration, would it intend to continue using an internal risk management information system (RMIS)? If so what system?

**Open for discussion. We will need to have the claims administration program available to in house staff.**

21. Can you provide a copy of the most recent Self Insured Annual Report?

**Yes, see Addendum #2 on the City's website.**

**[http://www.huntingtonbeachca.gov/business/bids\\_rfps/](http://www.huntingtonbeachca.gov/business/bids_rfps/)**

22. How many boxes of closed claims are there? Are they stored on site or offsite and how many will be transferred to the new TPA?

**We store our closed claims on site. We will probably transfer at least 5 years of closed claims. Not able to determine the number of boxes that will be at this time.**

23. Who do you utilize for Defense litigation, Investigations and Sub-rosa?

**Various providers**